

## Need of awareness among consumers

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### Abstract

This paper gives the idea that Consumer awareness is important because it increases a current or potential customer's knowledge about a product or service, allowing her to make a more informed purchase. Increasing consumer awareness also allows business owners to share background information about their organizations, their values and their practices.

**Keywords:** meaning of consumer awareness and consumer, rights, responsibilities and how consumer be exploited, its measures and consumer protection

### Introduction

#### Meaning of consumer awareness

Business owners increase consumer awareness by employing a wide range of marketing techniques designed to provide consumers with as much positive information about their company as possible. If an organization consistently produces high-quality products, has high safety standards and provides top-notch customer service, it benefits it to make the public aware of these values through commercials, billboards or social media campaigns. When a company associates itself with specific positive values, customers feel more confident making purchases, Consumer awareness is about making the consumer aware of his/her rights. It is a marketing term which means that consumers are aware of products or services, its characteristics and the other marketing P's (place to buy, price, and promotion).

#### Meaning of Consumer

In the present scenario a consumer is a person engaged in evaluating, acquiring, and using goods and services to satisfy his needs and wants. A consumer is a key figure in the market and all activities are carried on around this person. The old close relation between production and consumption has changed now. Consumers now depend on a complex industrial system to satisfy their wants. Goods and services have multiplied and become more complicated and influenced by marketing and advertisements, making it difficult to choose wisely among them and make the decision as whether or not to purchase an item at the store

### Consumer Rights

#### 1. Right to basic needs

Right to basic needs ensures basic goods and services which guarantee survival. It includes adequate food, clothing, shelter, health care, education and sanitation to lead a decent life

#### 2. The Right to Choice

To freely select their service providers, as well as products and services, from a variety of offerings.

#### 3. The Right to disclosure

To access transparent, up-to-date information about prices, services offered, terms and conditions for available or proposed services and products. Consumers should be provided with a customer contract indicating as a minimum, details of the name and address of the service provider; the services offered; their quality and installation; service support; price and tariff structure; the duration of the contract and arrangements for contract renewal and/or termination; compensation schemes; arrangements for recovery of debt; arrangements for handling complaints and disputes; and circumstances under which the contract may be terminated

#### 4. The Right to Access High Quality Service

To access high quality, reliable service from both service providers and the Regulator. Service Providers must provide high quality services and must publish information about initial supply times, fault rates and repair times as well as put technical and organizational measures in place to guarantee the integrity and security of their networks and services. Regulators should set and enforce quality of service standards. Consumers are entitled to guarantee access to emergency calling services.

#### 5. The Right to Accurate Bills

To be availed with clear, accurate and understandable bills for products they subscribe to. Charges should correspond to the service demanded by the consumer, who should not be made to pay for ancillary services they do not need. All Charges should be in accordance with the terms and conditions they have agreed to. Consumers have a right to a non-itemized bill and, where itemized bills are provided, these should be in accordance with the consumer's right to privacy

#### 6. The Right to Privacy

To enjoy lawful personal privacy and protection against unauthorized use of personal information. This includes confidentiality of electronic communications, prohibition of

unsolicited marketing material; the right not to be listed in a telephone directory and/or for a consumer's telephone number to be given to a third party as well as the right not to have automatic call-backs.

### **7. The Right to Protection against Market Abuse**

To be protected from market abuse such as excessive pricing, discriminatory pricing, contractual lock-ins, unfair trade practices including false and misleading advertising as well as any form of anti-competitive behavior. Measures for non-payment of bills should be proportionate and non-discriminatory, with the consumer given prior notice of termination or interruption of service. Prior to disconnection, consumers have the right to a reduced service that allows them to make emergency calls.

### **8. The Right to a Responsive Regulatory Authority**

To be represented by a responsive regulatory Authority that is continuously and proactively looking out for their interests, taking into account their needs, expectations, preferences and values.

### **9. The Right to Consumer Education and Awareness**

To acquire knowledge and skills needed to make informed, confident and intelligent choices about goods and services while being aware of basic consumer rights.

### **10. The Right to Safety**

To be protected against products, equipment and production processes that are hazardous to health or dangerous to life of present and future generations as well as guaranteed access to emergency calling services.

### **11. The Right to be heard**

To have assurance that government will take full cognizance of all the concerns expressed by consumers, and act with empathy through statutes and simple and expeditious administrative procedures. Consumers have a right to actively participate in the formulation and implementation of government policy, regulations as well as the development and delivery of products and services that they use.

### **12. The Right to Complain and Redress**

To have access a fair and transparent complaint process whereby all service providers must establish and publish procedures for handling complaints. Consumers have a right to receive fair settlement of just claims, including compensation for misrepresentation, service failure or interruption, inferior or unsatisfactory services. They also have a right to exercise out-of-court procedures for the settlement of disputes. Such processes must be simple, transparent, and free to consumers, and must allow for a fair and speedy settlement.

### **13. The Right to end/change a contract**

Consumers have a right to cancel a contract within reasonably short periods not exceeding three days from date of signing contract. Cancellation provisions must be clearly indicated in all contracts.

### **14. The Right to Environmental Health**

Consumers should be protected from the devastating effects of air, earth, and water pollution that may result from the

performance of daily marketplace operations. Consumers have the right to live and work in an environment that does not threaten the well-being of present and future generations.

## **Responsibilities of Consumers**

### **1. Critical awareness**

Consumers must be aware and be more questioning about the provision of services as well as the quality and variety of goods and services on offer. They should only enter into contracts with bona fide service providers and should familiarize with and honour their obligations under any contract entered into with a product supplier or service provider. Consumers should also make reasonable decisions in exercising their right of choice; understand and abide by any safety or security requirements pertaining to the use of communications systems and services.

### **2. Social responsibility**

Consumers must act with social responsibility, concern and sensitivity to the impact of their actions on other citizens, in particular, in relation to disadvantaged groups in the community and in relation to the economic and social realities obtaining. They should report any violation of the Postal and Telecommunication Act and any regulations administered through the Act. Consumers should not misuse or cause damage to Postal and Telecommunications infrastructure. They should use communications systems and services in the appropriate manner, without abusing them.

### **3. Environmental Responsibility**

Consumers should be highly sensitive to the impact of their actions on the physical environment, which must be aimed at fostering conservation of the environment to ensure a high level of safety and quality of life for present and future generations.

### **4. Involvement or action**

Consumers must assert themselves and act to ensure that they get fair deals. They should actively participate in all forums to do with policy formulation and legislation for the services they use.

### **5. Solidarity**

Consumers have the responsibility to organize themselves as consumers through the formation of consumer/citizen groups in order to develop the strength and influence to promote and protect their interests.

### **Remember the 3 Rs of a dutiful consumer**

- **Reduce:** Consume only what you need, if possible reduce consumption of water, electricity, fuel and other non-renewables
- **Reuse:** If a product can serve you for a longer period, use it instead of buying a new one.
- **Recycle:** Don't litter the environment, please recycle degradable or recyclable materials through scrap dealer

### **Exploitation of Consumers**

When a producer is doing selfish deeds for his/her own benefit and the decision is a purpose giving more than mental happiness for only the producer and having adverse effects on consumer who may be illiterate or unaware, etc.

There are many factors which are responsible for the exploitation of consumers in India.

### **The Causes of consumer Exploitation**

We are all consumers. It is necessary to know the causes of exploitation so that we are not exploited. It is only after knowing the reasons by which can we find out the ways to save ourselves from exploitation. The main causes of consumers' exploitation are:

#### **1. Lack of knowledge**

The main reason for exploitation of consumers is lack of knowledge. Several consumers do not have the knowledge about the price, quality, services related commodities. Therefore, consumers simply trust the facts told to them by the sellers and purchase goods, thus become trapped and are exploited.

#### **2. Consumer's indifference towards the market**

There is a large group of such consumers who behave indifferently regarding purchasing. There are some consumers who think as – what to do, everything is alright, leave it, why to take cash memo, whatever goods the shopkeeper gives is good, things should be cheap, good and durable, What is the need of the standardization marks like ISI and AGMARK etc. The producers take full advantage of this indifferent behavior of consumers and succeed in exploiting them.

#### **3. Tele Marketing**

Today in the age of computers, tele-marketing and e-commerce have become very popular. You also must have seen the advertisement on T.V. The information about the goods and the prices is also given in the advertisement. The consumer can send the required money and get the commodity through parcel. But very often the consumers feel cheated by this deal. One orders for costly products on being influenced, but he does not get the due benefit from that good.

#### **4. Limited Information**

In this age of globalization there are several types of products in the market. Producer is free to produce. There is no fixed law for quality and rate. There is lack of knowledge about several aspects of goods like rte, quality, rules for usage, rules for selling etc. Therefore, a consumer makes wrong choice and suffers financial loss.

#### **5. Monopoly**

Monopoly means the right on the production and distribution of a commodity of a producer or a group of producers. In the state of monopoly producers have arbitrary behavior regarding the prices and the quality and availability of the goods. As a result, producers succeeded in exploiting consumers.

#### **6. Illiteracy and Feeling of satisfaction**

When the consumers are uneducated, the sellers cheat them very easily. The shopkeeper tells the resembling words as of branded and sells the goods of poor quality. Sometimes consumers are placid. Consumers think it was a loss, let it be or it was their fate, now who will fight etc. This thinking also makes consumers prey of exploitation. The sellers know consumer's mentality and seller exploit consumer freely.

### **7. Limited Competition**

At times only one producer or a group of producers produce some products. So they control the production and supply of certain goods. Thus they manipulate the prices of their products by making these non-available for certain period. So the prices rise high and the benefit goes to that particular group causing loss to the customers.

### **8. Limited Supplies**

The consumers are exploited when the goods and services are not available in the market to the required amount or quantity. This makes or gives chance for black marketing & hoarding, of the goods etc.

### **Measures to save consumers from Exploitation**

Following are the main measures to protect oneself from exploitation as consumer:

#### **1. Consumer's Education**

Consumer's education and awareness is the most important measure for the solution of exploitation. The government has made several laws for the protection of consumers. But it is observed that the laws are not known to general public. Therefore, proper education of consumer's right should be provided to consumers.

#### **2. Purchase of standardized goods**

Several types of goods are available in the market. But for the safety against exploitation consumers should always buy standardized goods. Goods which are marked as ISI, AGMAEK and HALLMARK are considered standardized goods.

#### **3. Taking cash memo and receipt**

To take cash memo along with purchase of a good is very important. Due to taking cash memo the legal proceeding can be done in case of the quality of goods is inferior or does not work properly before the given period of time.

#### **4. Not to be lured by advertisements**

Big companies publicized their products by attractive advertisements through television or other media. The advertisements are shown in such a manner that it has a psychological effect on consumers and so consumers become desperate to purchase the goods. But the reality is this that consumer should be alert and aware of advertisements. Before the purchasing of goods, the consumer should completely verify quality, price, and quantity etc. of goods.

#### **5. To complain collectively**

A consumer alone cannot do anything against the producers and sellers, but if complaint is lodged collectively then it has more effect

#### **6. To verify the expiry date**

Whenever we purchase a medicine, we always check the expiry date. After expiry date the medicine has no effect and there is also a possibility of bad effects of medicine. The similar is the case with tinned food. Therefore, it is essential to check the expiry date before purchase

### Points for Consumer Attention

#### a) Purchasing Under Public Distribution System

Public Distribution System Outlets (ration shops) are distributing commodities against family cards at subsidized rates. Consumer should ensure that

- Commodities are provided in correct weight without denial
- Display board is placed in front of every shop indicating available commodities and their quantity with selling price of each product
- Samples of commodities are placed for notice of card holders

#### b) Purchase of Cosmetics

While buying cosmetics consumer should

- Not be carried away through Colorful misleading advertisements
- Check manufacturing date and date of expiry
- keep in mind that Colors are almost Chemicals
- keep in mind that following statement share mostly false “100% Natural”, “Chemicals not used”, “Oil free”
- Consult other users

#### c) Purchase of Drugs

- Purchase to be made only as per prescription by Registered Medical Practitioner–Self-medication is dangerous
- Checking for manufacturing date / expiry date
- Checking name of medicine purchased with prescription
- Checking availability of Maximum Retail Price on the strips /containers
- Insisting for bill with details of batch number etc. printed over strips / containers
- Checking for dosage and perseverance details of medicines

#### d) Purchase of Cloths

- Checking whether cloths withstand normal washing habits
- Insisting and obtaining bills and preserving them
- Insisting for “silk mark” while purchasing costly silk sarees

#### e) Purchase of Gold

- Checking for “Hall Mark”
- Weight of stones to be separately noted down in bills while purchasing ornaments with precious stones
- Obtaining purchase bills and keeping it safely

#### f) Misleading Advertisements Consumer should always

- be alert about the advertisements while going for purchase of goods afresh or in exchange of old product
- not be carried away by statements like free offers / discounts etc. since they are not the deciding factors for the requirement of consumers
- not be misled through colorful glamorous advertisements

#### g) Purchase of Food Products

- Don't buy spoilt products. It is dangerous to health
- Check manufacturing and expiry date, weight, manufacturer address etc.
- If perishables, check if it has been stored in freezer/cold storage properly.
- Avoid cheap and colorful food with hazardous colour additives
- Avoid products without manufacturer address. You have no recourse in case of any problem

- Avoid purchase of unbranded products like oil without sealed packs

#### h) Packaged Commodities

Every packed commodity has to carry the following information

- Name and address of packer / manufacturer
- Name of commodity • Net quantity / Weight
- Month and year of packing and expiry date
- Maximum Retail selling price
- Quality assurance symbols like AGMARK, FPO, ISI etc.

### Consumer Protection

Consumer protection is important for protecting consumers and instilling confidence in different institutions within the country. The laws are able to guarantee safety and quality of the products and services consumers use. A country can only experience a growth in economic activities when consumers have trust in the producers, so the producers must work to provide the assurance required to win the trust of consumers. Consumer protection helps keep people safe from unfair financial arrangements. These regulations are often strengthened in response to widespread financial hardship. Protecting consumers also protects businesses from unethical competition.

### Consumer Redressal System in India

There is legal and administrative machinery working in the field of consumer education in our country. Consumer Redressal system is a system under which the consumers can file a complaint in a consumer court and demand justice when they are cheated by the sellers or manufacturers of the commodity or service they buy. It comprises of the Laws to protect the interest of the consumers and the Institutions to enforce the laws to uphold consumers' rights. Thanks to the government, we have consumer laws made through legislations in our country with a special focus on consumer education. The purpose is to help the people understand their rights and responsibilities as consumers and to redress their grievance. There are also existence of Institutions in the form of government departments and consumer courts to deal with the grievances of the affected consumers.

### Government Legislations

We have had several government legislations in our country even before independence to protect the rights of the consumers. But Consumer Protection Act 1986(CPA) is the most important one and gives you as a consumer all the support and guidance against violation of your rights. CPA is specifically designed to protect consumer interest.

There are a couple of other legislations aimed at providing consumer protection, enacted after independence, like Prevention of food adulteration Act(PFA)1954, the Essential Commodities Act, 1955 (ECA) and the Standard of Weights and Measures Act(SWMA) of 1976.

The CPA was enacted with the objective of providing ‘cheap’, ‘simple’ and ‘quick’ justice to the millions of consumers in the country. It ensures justice which is less formal, involves less paperwork, cut delays and is less expensive. CPA applies to all goods and services, unless specifically exempted. It covers the private, public and cooperative sectors. It also empowers a consumer to haul up municipal authorities in consumer courts

if they fail to provide all the services ranging from street lighting and drinking water to drainage and health.

**Among other measures included in CPA some recent ones are**

- Consumers are allowed to decide where they want to seek Redressal.
- A company cannot insist on being liable to be tried only in a court of its choice.
- Consumers are allowed to sue service providers of a company for passing on their personal information to salespersons e.g. banks, insurance company etc.
- Real estate developers are classified as traders and liable to be tried in a consumer court.
- Oversees agencies operating through e-commerce sites on the internet or telemarketing are not allowed to sell their products unless they maintain an office in India. They have to organize the inspection of goods prior to purchase, or refund goods within 30days.
- Officials and stakeholders like state government departments of post and telecom, passport offices, municipal services, Central Government Health Scheme (CGHS) and railways are demanding exemption from the Act fearing, they will have to face a barrage of litigation.

**Consumer Protection Act 1986**

- Consumer Protection Enacted by the Parliament in 1986
- To provide for better protection of interest of consumers.
- To make provisions for the establishment of Consumer Councils and other authorities for the settlement of consumer disputes.

**What is a complainant?**

An allegation in writing by a **complainant** that:

- An unfair or restrictive trade practice is practised by trader or service provider
- Goods bought or to be bought or services hired or to be hired suffered from any deficiency
- Trader or service provider has charged excess price
- Goods and services are hazardous or are likely to be hazardous to life and safety.

**Who is a complainant?**

- A consumer
- Any voluntary consumer association registered under the Companies Act or any other law
- Central or State Government, if it makes a complaint
- One or more consumers having same interest
- In case of death of a consumer, his legal heir or representative.
- A Consumer Dispute arises when a complaint is denied or disputed.

**Machinery under the Act**

- **Central Consumer Protection Council**
  - to be established by Central Government
- **State Consumer Protection Council**
  - to be established by State Government
- **District Consumer Protection Council**
  - to be established by State Government for every district

**Consumer Dispute Redressal Machinery**

There are Consumer Fora at the District, State and National level

- **District Forum** – At the District level
- **State Commission** – At the State level
- **National Commission** – At the National level

**Pecuniary Jurisdiction**

Forum where complaints can be entertained Depends on value of goods and service and compensation claimed Limits are:

- District Forum not exceeding Rs.20 lakhs
- State Commission exceeds Rs.20 lakhs but does not exceed Rs.1 Crore
- National Commission exceeds Rs.1 Crore.

**Territorial Jurisdiction**

Territorial Jurisdiction lies in the court of the place

- Where the opposite party resides or carries on business or personally works for gain
- Where the cause of action wholly or partly arose.

**Disposal of disputes**

District Forum may

- ask the opposite party to remove the defect,
- replace the goods with new goods and free from defect
- to return to the complainant the price of goods or
- to pay any amount as compensation
- Appeals to be preferred within thirty days from the order of the District Forum to the State Commission and from the order of the State Commission to the National Commission
- Can entertain appeals beyond thirty days
- on sufficient cause shown for the delay

**It has to be disposed within ninety days from its admission.**

**Time Limit for filing complaint**

- Within two years from the date on which the cause of action arises
- Even where the time limit expires, the complaint can be taken up
- provided complainant is able to satisfy the Forum or Commission about the reasonableness in the delay
- The delay for every single day has to be explained.
- Now a day's communication through internet has become a way of life. So a person can also mail the complaint. The e-mail ID/Website is printed on the cover of the product.

**Role of NGOs**

In case the producer/company/seller gives the aggrieved party a cold shoulder then the role of non- governmental organizations i.e. NGOs becomes very important. One can lodge complaints with some NGO's like Consumer Grievance (www.consumer grievance.com), Consumer Guidance Society of India (www.cgs\_india.org), Common Cause (www.commoncauseindia.org) and Consumer Forum (www.consumer.org.in). NGOs not only help in filing a case but also they provide logistic, manpower and other supports. NGOs also conduct various programmes to educate consumers about their rights and responsibilities.

One can also approach consumer help organization called *Jago Grahak Jago*. Almost every newspaper provides complete

information about it through advertisement. The online grievance form can be had by visiting the site.

Some other web sites for banking, insurance, tax and telecom related problems are:

[www.banking\\_ombudsman.rbi.org.in](http://www.banking_ombudsman.rbi.org.in)

[www.irdaindia.org](http://www.irdaindia.org)

[www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)

[www.trai.gov.in](http://www.trai.gov.in)

**The Grounds for Filing a Complaint** The deficiency in a service is one of the grounds for filing a complaint under the Act. The term deficiency has been defined as any fault, imperfection, short coming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service. Compensation has to be paid by the wrong doer for their faulty or defective goods and services.

### **Conclusion**

The need for empowerment of consumers as a class cannot be over emphasized and is already well recognized all over the world. The advancement of technology and advent of sophisticated gadgets in the market and aggressive marketing strategies in the era of globalization have not only thrown open a wide choice for the consumer, but all the same also rendered the consumer vulnerable to a plethora of problems concomitant to such rapid changes. There is an urgent and increasing necessity to educate and motivate the consumer to be wary of the quality of the products, and also the possible deficiencies in the services of the growing sector of public utilities. In short, the consumer should be empowered with respect to his rights as a consumer. He should be equipped to be vigilant with a discerning eye so as to be able to protect himself from any wrongful act on the part of the trader.

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